

the data and information supporting the financial statements. Those conditions also made it impractical for us to extend our audit procedures to the degree necessary to determine the effect that these shortcomings might have had on the House's financial statements.

□ 2100

For the reasons stated, we are unable to and do not express an opinion as to whether the supplemental schedules are fairly stated in relation to the consolidating financial statements taken as a whole, and we do not express an opinion on these consolidating financial statements. That is the worst situation, I don't know, are any of you CPAs?

Mrs. SMITH of Washington. Will the gentleman yield?

All I can tell you is if my business had that kind of an audit, I could never get a loan again. I think what it says is there can be no beginnings. I looked at that, and I am like the person with the shovel, you know, digging and looking for the pony.

Mr. HOKE. Looking for the pony.

Mrs. SMITH of Washington. And I looked at it and I thought, some things were obvious. Even before we came in in January, we started making changes, we started digging around, we started opening up files and we started closing things that were not efficient. We started looking at the mail room, we started looking at the way things were done.

My understanding is that this audit said certain things should change. We are already doing a lot of them. But I do not think we will ever know for sure all of what happened between the 1954 audit and the 1995 audit. That is a long time.

What I would like to see us do is go forward. I would love to see us look at this and say, we are a new Congress, we want to go forward. So I was excited to see that we were not going to mess with the results. We were going to turn them over to an independent counsel and let anybody else deal with them outside of this place so that it was not political. I like that, and it kind of excited me that we were already starting along the path to repair.

Mr. FOX of Pennsylvania. To follow up with what Congresswoman SMITH just said, the fact is we just passed a resolution unanimously in this House this afternoon giving the Inspector General the authority to move forward to make the kinds of changes we need. Because in the report, if I can just follow up, the appropriations limits were ignored, bills were paid late in the House, House property and equipment was unaccounted for, and there were significant security problems with their own computer system. So these changes, in order to really help our country and to lead by example, I think it is good that we have this kind of audit and that we actually do the follow-up, as Congresswoman SMITH just stated.

Mr. HOKE. I think that is right, and that we now have audits on an annual

base, which is exactly what we are committed to doing.

I think we would be remiss in not pointing out two things: No. 1, that this audit was taken under the first Republican Congress in 40 years; and, No. 2, that we made the promise to the American people that we were going to start out the 104th Congress with an audit, and that is exactly what we did. It is another promise made, another promise kept.

Mr. KINGSTON. If the gentleman will yield, was this done on an inventory and on a cash basis? Because my question that I am leading to is, did we count the number of personal computers? Did we count the papers? Is there inventory missing? And is there cash missing? Is the cash done on an accrual basis, is it done on a cash basis, or could the auditors even tell one way or the other? Because what I am really hearing is, they gave up and they said, this is just too much of a mess.

Mr. HOKE. Well, they tried to do it properly, and I don't think they really gave up. What they did is they kind of threw their hands up in despair and frustration and said, we can't give you the kind of report that you wanted.

Mr. KINGSTON. Well, if the gentleman will yield, Price Waterhouse also does the audit for Washington, DC. Did they say that this was comparable?

Mr. HOKE. My understanding was that the books for Washington, the District of Columbia, were in much better shape than the books for the Congress.

I will read one other thing from this, because I think it is interesting. It says the House used cash basis accounting as its primary means of managing its financial resources and preparing internal and external financial reports.

This meant that the House tracked when it received or spent cash, but not what liabilities or legal obligations or commitments it was incurring, or the value of the assets properly recorded, accumulated and reported in accordance with the rules, policies and procedures that are established by the House itself.

Mr. KINGSTON. So perhaps we can get somebody from the Washington, DC City Council to come show the House how to take care of the books.

Mr. HOKE. Perhaps we can.

Mr. KINGSTON. Not necessary any more, is it?

Mrs. SMITH of Washington. Let's do better than that.

Mr. HOKE. I want to extend my appreciation to the gentlelady from Washington [Mrs. SMITH], the gentleman from Pennsylvania [Mr. FOX], and the gentleman from Georgia [Mr. KINGSTON] for participating with me in this special order.

Mr. Speaker, I want to yield the balance of this hour at this point to the gentleman from Florida [Mr. BILIRAKIS] to discuss Cyprus. I hope that I will have an opportunity, since it just happens that this is also an issue that

is near and dear to my heart, to join him on that issue.

#### GENERAL LEAVE

Mr. BILIRAKIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on this subject of my special order.

The SPEAKER pro tempore (Mr. MCINNIS). Is there objection to the request of the gentleman from Florida?

There was no objection.

#### CYPRUS: 21 YEARS OF DIVISION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida [Mr. BILIRAKIS] is recognized for 20 minutes.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman for yielding me the time. I also thank the gentleman and commend the gentleman and the others for basically sharing the facts and the truth regarding the Medicare picture with our viewers out there.

Mr. Speaker, Thursday, July 20, marks the twenty-first anniversary of the illegal invasion and occupation of Cyprus by Turkey. I rise here today, as I have since I first came to the Congress in 1983, to remind us all of this sad day in the history of the Republic of Cyprus.

We must all be reminded that the Green Line, separating the northern part of the island—some 40 percent and Turkish-occupied—from the free portion is the only wall remaining in the world dividing a country.

We must be reminded that our conduct here in this Congress has played a major part in ensuring that wall continues to stand.

On July 20, 1974, 6,000 Turkish troops and 40 tanks landed on the north coast of Cyprus. Turkish forces captured almost 40 percent of Cyprus, representing 70 percent of the country's economic health.

As a result of Turkey's illegal invasion, 1,619 people have never been seen again. Among these 1,619 missing individuals, five are United States citizens.

In addition, more than 200,000 Cypriots were forcibly driven from their homes. They are now refugees—a people without a home.

Today, Turkey continues its occupation of the northern portion of Cyprus, maintaining more than 35,000 troops and some 65,000 settlers there. As I previously mentioned, a barbed wire fence, known as the Green Line, cuts across the island separating thousands of Greek Cypriots from the towns and communities in which they and their families had previously lived for generations.

As you might guess, this has led to frequent incidents and disputes—and in the near future, the settlers and occupying troops will outnumber the indigenous Turkish Cypriots.